

### Why the Santa Barbara oil deal collapsed

**A lack of disclosure by the company and environmentalists helped lead a state panel to kill the offshore drilling deal**

[Los Angeles Times Editorial](#): There's no place in the country, or possibly the world, where offshore oil drilling is as sticky a subject (literally and figuratively) as Santa Barbara. Forty years ago to the day last Wednesday, a gigantic spill from an ocean platform wrecked beaches, massacred sea life and helped transform the national environmental movement from a tweedy nature-appreciation society into a political force. So when many of Santa Barbara's most determined anti-drilling activists teamed up to back a deal that would allow an oil company to drill under state waters off the city's coast, it was a jaw-dropping moment.

Just as surprising, given the deal's powerful backing, was its collapse Thursday, when the State Lands Commission [rejected it](#) on a 2-1 vote. The failure shows that, despite high oil prices that turned "Drill, baby, drill" into a Republican mantra last year, it remains phenomenally difficult to expand drilling in California.

Is that a bad thing? Yes and no. No new drilling in state waters has been approved since 1969, under a very sound philosophy that the things that would be harmed by drilling -- the marine life and beaches destroyed by spills -- are more valuable than the oil that would be extracted. Yet it's possible to craft compromises that compensate for environmental damage and provide economic benefits. The Santa Barbara deal came within a hairbreadth of achieving that but was rightly rejected because of bad tactics and a lack of enforcement mechanisms.

Under the publicly disclosed terms of the deal, Plains Exploration & Production Co., which owns a platform in federal waters just beyond the three-mile limit controlled by the state, would have drilled several wells from the platform into oil reserves on state property. In return, it would have closed that platform, three others it operates off Santa Barbara and two onshore processing facilities by 2022 and donated 4,000 acres of land for preservation. Over the life of the project, the state would have collected up to \$5 billion in tax revenues.

Bizarrely, the company and the environmental groups that were parties to the bargain kept the rest of its terms confidential. It is not unheard of for environmentalists to sell out the public interest for political or financial reasons, and no elected official should ever approve a secret deal that affects public resources. The company finally announced that it would disclose the full agreement during Thursday's Lands Commission hearing, but that was months too late.

What's more, there was no way to guarantee that the drilling platforms would be closed in 2022 as promised. The platforms are in federal waters, and the U.S. government has a strong interest in ensuring that drilling continues. The state has no power to force the feds to give up their oil leases; the federal government could force Plains Exploration to keep drilling. Even the land

donation was in question. Company lawyers told Lands Commission staff that some of the parcels had title problems that made their transfer uncertain.

With the collapse of the deal, the company's platforms and others off Santa Barbara will keep running until the cost of extracting oil is greater than the oil is worth, which could take decades. We'd love to see a transparent plan with enforceable deadlines to shut them down sooner.